

INTERVIEW
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IHI issues EUR2m share transfer to Kuwaiti property giant

Matthew Vella

International Hotel Investments (IHI) has completed the first of a three-stage agreement with National Projects Holding Company (NPHC), a subsidiary of Kuwaiti group National Real Estate Company (NREC), when it issued 2 million shares at a price of 1 euro to NPHC on Monday, a deal worth Lm861,490.

The alliance is part of NREC's strategy at entering the international hotel sector employing IHI plc, whose main shareholder is the Corinthia Group.

Under the terms of agreement signed back in April 2006, the share issue comes with a six-month option expiring on 31 October, 2006 to subscribe to a further 33 million shares at 1 euro each (Lm14.1 million).

NPHC and IHI will then aim to raise a further EUR75 million

(Lm32.3 million) in equity by 31 May 2007 at a price to be determined at the time.

Listed on the Kuwait and Dubai Stock Exchange and with a USD1.5 billion market capitalisation, NREC is a leading real estate company with multinational investments in large developments.

NREC also owns a majority shareholding in PWC Logistics, one of the world's largest logistics and warehousing companies with a turnover of USD8 billion.

NREC owns and manages the largest retail malls in Kuwait and has recently signed a strategic partnership with the Jordanian government for the development of a 2 million square metre business park.

Meanwhile, on Monday, Corinthia Hotels International, the hotel management arm of Corinthia Group, the main shareholder in IHI, announced



Tony Potter appointed CEO of Corinthia Hotels International on the same day the share transfer to the Kuwaitis occurred

the appointment of Tony Potter as Chief Executive Officer.

Potter has occupied senior roles in global hotel companies throughout his career, most recently CEO with Millennium & Copthorne plc.

"I am excited by the prospect of joining Corinthia Hotels International and building upon what is already an excellent reputation," Potter said.

Corinthia Hotels International manages 20 hotels in the four and five-star category in Europe, Africa and the Mediterranean, having a total of 5,300 bedrooms, and a network of sales offices worldwide. The company is set to embark on a rapid growth phase in the coming years, operating hotels being developed or acquired by its parent hotel investor company, as also for third party asset owners.

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iSoft suspends director following accounts probe

Matthew Vella

Troubled UK software group iSoft, a finalist among tenderers for the EUR29 million (Lm12.5m) IT system at Mater Dei hospital, yesterday suspended its commercial director Steve Graham.

Following a probe into accounting irregularities, iSoft announced there were grounds for a "more formal investigation" into the group, after irregularities were found during the financial years ended 30 April 2004 and 2005.

"The principal effects of this would appear to have been to recognise revenues earlier than they should have been. They do not have any effect on the cash position of the group."

Industry experts Gartner recently revised their rating of iSoft downward to "caution" from "promising", their latest rating since the company revised its accounting policy in June.

Gartner are the experts chosen by the Maltese government to consult with the committees evaluating the crucial tender for the provision of an integrated health information system at the Mater Dei hospital. According to their latest rating, iSoft's reduced profitability ▶ page 5

BUSINESS TODAY WILL NOT BE PUBLISHED NEXT WEEK. IT WILL BE BACK ON THE NEWS STANDS ON AUGUST 23

Survey finds Gozitans financially worse off

James Debono

A survey conducted by sister newspaper MaltaToday reveals that the absolute majority of Gozitans are financially worse off this year.

While 70.4 per cent report an erosion of purchasing power only 3.2 per cent claim they have more disposable income.

The survey reveals lack of employment opportunities tops the list of concerns of Gozitan respondents.

The state of the roads, environmental degradation and the decline in tourism emerge as the other major concerns of the Gozitan community.

The survey conducted among Gozitan residents will be published in its entirety next Sunday in MaltaToday.

Gozitan views

Less disposable income:	70.4%
Concern about lack of jobs:	41.8%
Agree with Euro in 2008:	54.1%
Never used helicopter:	94.7%

Despite the generally bleak outlook, Gozitan support for one of the major policy planks of the Gonzi administration is high with 54.1 per cent supporting the introduction of the Euro in 2008.

The survey also shows that 16 per cent of Gozitans use the Gozo channel service more than once a week, with seven per cent using it every day during working days. ▶ page 5

Josephine Attard Sultana kicked out of the GWU

In what is increasingly looking like a purge of officials who had supported the failed contestant for the GWU's top post in October, Manuel Micallef, yesterday the union's national council voted to terminate the involvement with the union of section secretary Josephine Attard Sultana.

With 29 votes in favour and 13 against, the union's national council approved a motion presented by Secretary General Tony Zarb and his deputy Geftu Mercleca to strip Attard Sultana of her post within the union.

Attard Sultana was the secretary of the public service section



Josephine Attard Sultana

within the union. The president of the same section, Francis Buttigieg was also removed from his post.

Yesterday's decision exposes the internal strife that has engulfed the GWU after last October's bitter battle that pitted moderates against militants.

Gonzi's calculated gamble

The budget has lost its element of surprise ever since the Gonzi administration has undertaken to publish a pre-budget document vaguely outlining its budgetary intentions three months before the budget. Business Today takes a look at some of the measures proposed in the document. See pages 6-7



Going for big...

The banking sector in Malta is dominated by two giants. Stephen Muscat tries to answer the often-asked question, which of the two is the biggest, but finds out there is no straight answer.

Bank of Valletta is more profitable than HSBC before accounting for impairment provisions but HSBC's market capitalisation stands at Lm639 million for 292 million shares of 12c5 each as opposed to BOV's market capitalisation of Lm438 million on 111million shares of 25c each.

HSBC's advances exceed Lm1.08 billion while BOV has Lm936 million. On the other hand BOV is entrusted with more customer deposits at Lm1.56 billion against the Lm1.4 billion at HSBC.

HSBC has a better profitability ratio at 20.4 per cent as annualised return on equity, while BOV has 18.2 per cent.

Banking giants under the spotlight page 3

See also: MFSA comparative analysis on bank charges, page 4

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